

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

BKY No. 19-40658

Chapter 7

Scheherazade, Inc,

Debtor.

**NOTICE OF HEARING AND MOTION FOR ORDER AUTHORIZING
EXAMINATION AND RELATED DOCUMENT PRODUCTION PURSUANT TO
RULE 2004**

TO: The debtor and other entities specified in Local Rule 9013-3(a):

1. Nauni J. Manty, the chapter 7 trustee of the bankruptcy estate of Scheherazade, Inc., moves the court for authorization to conduct a Rule 2004 examination and gives notice of hearing.

2. The court will hold a hearing on this motion on **Wednesday, February 12, 2020 at 9:30 a.m.** before the Honorable Kathleen H. Sanberg, in Courtroom 8 West, U.S. Courthouse, 300 South Fourth Street, Minneapolis, Minnesota 55415 or as soon thereafter as counsel may be heard.

3. Any response to this motion must be filed and served not later than Friday, February 7, 2020, which is five days before the time set for the hearing (including Saturdays, Sundays, and holidays). **UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY SERVED AND FILED, THE COURT MAY ENTER AN ORDER GRANTING THE REQUESTED RELIEF WITHOUT A HEARING.**

4. This court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157 and 1334, Fed. R. Bankr. P. 5005 and Local Rule 1070-1. This proceeding is a core proceeding. The petition commencing this chapter 7 case was filed on March 10, 2019. This case is now pending in this court.

5. This motion arises under Fed. R. Bankr. P. 2004. This motion is filed pursuant to Fed. R. Bankr. P. 9014 and Local Rules 2004-1 and 9013-2. The trustee requests that the court issue an order under Fed. R. Bankr. P. 2004 directing the examination and related document production of Bremer Bank, N.A. and U.S. Bank, N.A.

6. The debtor had deposit accounts and Bremer Bank and U.S. Bank. The trustee needs complete bank statements, copies of cancelled checks, copies of withdrawal slips and other related documents to review for preferences and fraudulent transfers that might be estate property. Bremer Bank and U.S. Bank are in possession and control of such documents.

7. The information sought pursuant to Rule 2004 is necessary because it relates directly to assets of the estate, which affect the administration of this estate and is needed to adequately evaluate the claims and remedies that may be available to the trustee.

WHEREFORE, the trustee respectfully requests that this court enter an order authorizing the trustee to conduct an examination of Bremer Bank, N.A. and U.S. Bank N.A. pursuant to Fed. R. Bankr. P. 2004.

Dated: January 28, 2020

MANTY & ASSOCIATES, P.A.

By: /e/ Mary F. Sieling
Nauni J. Manty (#230352)
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Minneapolis, MN 55401
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Attorneys for the Trustee

VERIFICATION

I, Nauni Manty, trustee and movant named in the foregoing notice of hearing and motion, declare under penalty of perjury that the foregoing is true and correct according to the best of my knowledge, information and belief.

Dated: January 28, 2020



Nauni Manty, Trustee

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re: BKY No. 19-40658
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**MEMORANDUM OF LAW SUPPORTING THE TRUSTEE'S MOTION FOR ORDER
AUTHORIZING 2004 EXAMINATIONS**

The trustee submits this memorandum of law in support of her motion for an order authorizing 2004 examinations.

FACTUAL BACKGROUND

The trustee incorporates the facts as set forth in the notice of motion by reference.

LEGAL ARGUMENT

Rule 2004 of the Federal Rules of Bankruptcy Procedure provides that a court may order an examination of "any entity." Fed. R. Bankr. P. 2004(a). Rule 2004(c) authorizes using the court's subpoena power pursuant to Rule 9016 to compel the production of documents. Any interested party may seek a Rule 2004 examination which relates to "the acts, conduct, or property or to the liabilities and financial conditions of the debtor, or to any matter which may affect the administration of the debtor's estate, or to the debtor's right to a discharge." Fed. R. Bank. P. 2004(b). The scope of inquiry under Rule 2004 is broad and great latitude is ordinarily permitted. *See In re Symington*, 209 B.R. 678, 682-84 (Bankr. D. Md. 1997).

Here, the trustee seeks to examine Bremer Bank and U. S. Bank related to the document production of the debtor's bank statements, checks, withdrawal slips and related documents of the debtor's deposit accounts. The trustee will examine such documents for preferences or fraudulent

transfers, which are estate property. Bremer Bank and U.S. Bank are in possession of such documents.

CONCLUSION

For the reasons set forth in the motion and in this memorandum, the trustee respectfully requests that the examinations be authorized.

Dated: January 28, 2020

MANTY & ASSOCIATES, P.A.

By: /e/ Mary F. Sieling
Nauni J. Manty (#230352)
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UNITED STATES BANKRUPTCY COURT
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UNSWORN CERTIFICATE OF SERVICE

I declare under penalty of perjury that on January 28, 2020, I caused copies of the following documents to be filed electronically with the Clerk of Court through ECF, and that ECF will send an e-notice of the electronic filing to the ECF participants:

1. Notice of Hearing and Motion for Order Authorizing the Examination and Related Document Production Pursuant to Rule 2004;
2. Memorandum of Law Supporting the Trustee's Motion for Order Authorizing 2004 Examinations;
3. Proposed Order; and
4. Unsworn Certificate of Service

I further declare that I caused copies of the foregoing documents to be mailed by certified first class mail, postage prepaid, to the following non-ECF participants:

Jeanne Crain, President and CEO
Bremer Bank, N.A.
372 St. Peter St.
St. Paul, MN 55102

Andrew Cecere, President and CEO
U.S. Bank, N.A.
425 Walnut St.
Cincinnati, OH 45202

I further declare that I caused copies of the foregoing documents to be mailed by first class mail, postage prepaid, to the following non-ECF participants:

Scheherazade, Inc.
3181 W 69th Street
Edina, MN 55438

Robert K. Dakis
Morrison Cohen, LLP
909 Third Ave.
New York, NY 10022

Embellir Gallery of Gems
750 Main Street, Suite 111
Mendota Heights, MN 554418

Eaton Hudson, Inc.
3015 Dunes W Blvd., Suite 201
Mount Pleasant, SC 29466

David J. Kozlowski
Morrison Cohen, LLP
909 Third Ave.
New York, NY 10022

Joseph T. Moldovan
Morrison Cohen, LLP
909 Third Ave.
New York, NY 10022

Wells Fargo Vendor Financial Serv, LLC
fka GE Capital Information Tech Solutions
c/o a Ricoh USA Program fdba Ikon Financ
PO BOX 13708
Macon, GA 31208-3708

Dated: January 28, 2020

/s/ Kevin Carnahan
Kevin Carnahan, Legal Assistant
Manty & Associates, P.A.
401 Second Avenue North, Suite 400
Minneapolis, Minnesota 55401

UNITED STATES BANKRUPTCY COURT
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In re:

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ORDER AUTHORIZING 2004 EXAMINATIONS

This matter is before the court on the motion of the trustee for an order allowing her to conduct examinations pursuant to Fed. R. Bankr. P. 2004. There were no objections to the motion. Based on the motion and the file,

IT IS ORDERED: The trustee may examine Bremer Bank, N.A. and U.S. Bank, N.A. pursuant to Fed. R. Bankr. P. 2004.

Dated:

Kathleen H. Sanberg
United States Bankruptcy Court